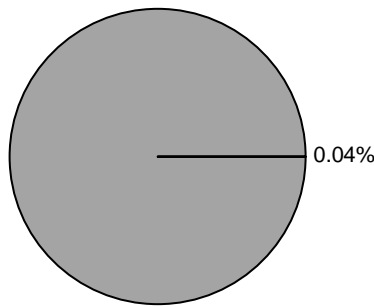


FY2006 Budget Briefing

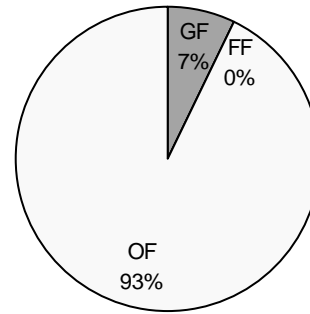
Bureau of Personnel

(Excluding the Salary Package)

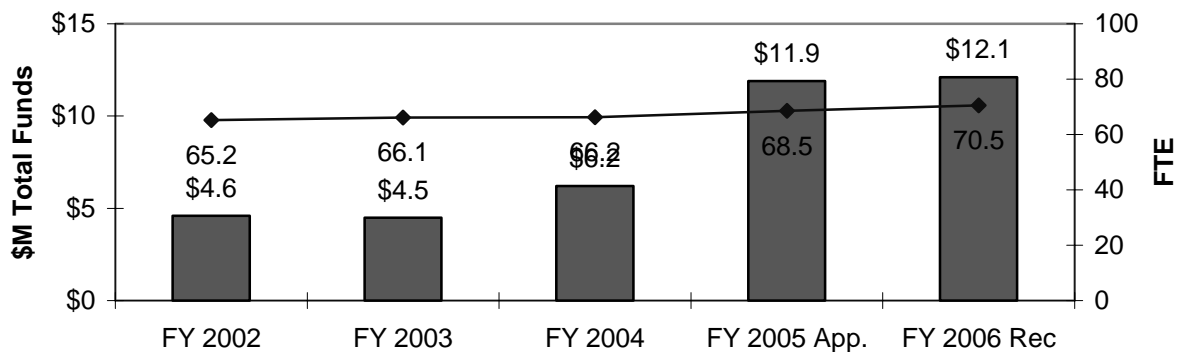
**Agency's Share of Total
Budgeted State General Fund FY2006**



Agency's Funding Source Split FY2006



Budget History



Key Responsibilities

The Bureau of Personnel, a part of the Department of Executive Management, manages the human resource programs in combination with the Career Service Commission and the Law Enforcement Civil Service Commission. The bureau establishes compensation levels and benefits. As manager of the civil service system, the bureau classifies positions in the executive branch, announces vacancies, screens applicants, provides training, and investigates labor issues. In the 2003 Special Session, the Legislature authorized the agency to administer a health insurance risk pool for those individuals who cannot otherwise obtain health insurance.

Key Personnel

- Commissioner, Sandra Zinter
- Compensation, Sandra Jorgensen
- Benefits, Larry Kucker
- Finance Officer, Jim Neiles

Bureau Total

The Bureau of Personnel requests \$12,062,940 (\$898,189 from the State General Fund) and 70.5 FTE. This is an increase of \$105,600 (0.9%) from FY 2005. The Governor concurs with this request.

Item	Actual FY2004	Approved FY2005	Agency Req.	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
			FY2006			
Personal Services	3,089,028	3,270,047	3,375,647	3,375,647	105,600	3.2%
Travel	69,681	71,500	71,500	71,500	-	0.0%
Contractual Services	1,574,665	2,041,532	2,041,532	2,041,532	-	0.0%
Supplies and Materials	215,082	252,975	252,975	252,975	-	0.0%
Capital Outlay	78,742	53,930	53,930	53,930	-	0.0%
Other	1,183,228	4,767,356	4,767,356	4,767,356	-	0.0%
Risk Pool Reserve	-	1,500,000	1,500,000	1,500,000	-	0.0%
TOTAL	6,210,426	11,957,340	12,062,940	12,062,940	105,600	0.9%
Funding Sources:						
General Funds	881,938	898,189	898,189	898,189	-	0.0%
Federal Funds	849,997	500,000	500,000	500,000	-	0.0%
Other Funds	4,478,491	10,559,151	10,664,751	10,664,751	105,600	1.0%
TOTAL	6,210,426	11,957,340	12,062,940	12,062,940	105,600	0.9%
FTE	66.2	68.5	70.5	70.5	2.0	2.9%

Major Expansion and Reductions

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
A. Personnel Specialist III	-	50,235	1.0	-	50,235	1.0
B. Program Specialist	-	55,365	1.0	-	55,365	1.0
Total	-	105,600	2.0	-	105,600	2.0

The agency requests \$50,235 (which includes benefits) from other funds and 1.0 FTE Personnel Specialist III position. The agency is developing initiatives to improve workforce development, succession planning, and competency development. The Governor concurs with this request.

The agency requests \$55,365 (which includes benefits) from other funds and 1.0 FTE Program Specialist position for the Workers Compensation Program. There has been an increased number of workers' compensation claims. Also, claims have become more complex as well; staff is required to spend more time working with healthcare specialists and attorneys. The Governor concurs with this request.

Personnel Management

The Bureau of Personnel, a part of the Department of Executive Management, establishes and manages the human resource programs in combination with the Career Service Commission and the Law Enforcement Civil Service Commission. The bureau establishes compensation levels and benefits. As manager of the civil service system, the bureau classifies positions in the executive branch, announces vacancies, screens applicants, provides training, and investigates labor issues.

The agency requests \$5,545,091, which includes \$396,695 from the State General Fund, and \$5,148,396 from other funds. The agency also requests 70.5 FTEs. With the exception of requesting an additional 2.0 FTEs, there is no change from the approved FY 2005 budget. The Governor recommends the request.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	3,068,029	3,226,553	3,332,153	3,332,153	105,600	3.3%
Travel	68,326	71,500	71,500	71,500	-	0.0%
Contractual Services	1,403,949	1,834,533	1,834,533	1,834,533	-	0.0%
Supplies and Materials	215,082	252,975	252,975	252,975	-	0.0%
Capital Outlay	78,742	53,930	53,930	53,930	-	0.0%
Other	967	-	-	-	-	0.0%
TOTAL	4,835,095	5,439,491	5,545,091	5,545,091	105,600	1.9%
Funding Sources:						
General Funds	382,975	396,695	396,695	396,695	-	0.0%
Federal Funds	-	-	-	-	-	0.0%
Other Funds	4,452,120	5,042,796	5,148,396	5,148,396	105,600	2.1%
TOTAL	4,835,095	5,439,491	5,545,091	5,545,091	105,600	1.9%
FTE	65.6	68.5	70.5	70.5	2.0	2.9%

Revenues

Other Fund Revenue Sources

	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>FY2005 Estm.</u>	<u>FY2006 Estm.</u>	<u>% Change from FY2003</u>
None reported					

The agency requests \$50,235 (which includes benefits) from other funds and 1.0 FTE Personnel Specialist III position. The agency is developing initiatives to improve workforce development, succession planning, and competency development. The Governor concurs with this request.

The agency requests \$55,365 (which includes benefits) from other funds and 1.0 FTE Program Specialist position for the Workers Compensation Program. There has been an increased number of workers' compensation claims. Also, claims have become more complex as well; staff is required to spend more time working with healthcare specialists and attorneys. The Governor concurs with this request.

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Commission Days/Rule Hearings	6 days/0 hearings	6 days/1 hearings	13 days/1 hearings	13 days/1 hearings
Applications Received/Avg. Per Register	15,462 / 18.6	21,432 / 18.6	21,450 / 19.0	21,450 / 19.0
Classifications Audits/Actions	163 / 497	185 / 562	200 / 600	200 / 600
Courses Offered/Participants	338 / 5,375	397 / 6397	370 / 6,000	380 / 6,100
Insurance Plan Participants:				
Health: Employees, COBRA,				
Retirees/Dependents	12,344 / 10,625	12,535 / 10,856	12,639 / 10,842	12,639 / 10,842
Life: Employees, COBRA,				
Retirees/Supplemental	12,268 / 6,135	12,514 / 6,569	12,639 / 10,842	12,639 / 10,842
Flexible Benefits Participants	10,348	10,692	10,817	10,817
Workers' Compensation Total Eligible	26,583	25,996	26,000	26,000
First Reports of Injury	1,957	3,198	3,000	3,000

South Dakota Risk Pool

In the 2003 Special Session, the Legislature passed SB 2 which authorizes the bureau to administer a health insurance risk pool for those individuals who cannot otherwise obtain health insurance. The Risk Pool legislation is codified at SDCL 58-17-113 to 58-17-141, inclusive.

A 7-member board was created by the Legislature to administer the Risk Pool. The Governor appoints the members from the Governor's Office, Department of Social Services, Bureau of Personnel, Department of Health, Division of Insurance, and 2 others. SDCL 58-17-119 requires the board to file a report with the Legislature by January 1 of each year. The report is to include information regarding the operation of the risk pool, assessments, number of enrollees, claims, expenses, and premiums.

During the Special Session, the Legislature also amended the General Appropriations Act for FY 2004 (2003 HB 1283) with SB 1 which appropriated \$6,516,355 from all funds for the operation of the Risk Pool (\$5,016,355) and a Risk Pool Reserve Fund (\$1,500,000). The source for the Reserve Fund was the release of previously encumbered money from the FY 2002 State General Fund appropriation to the Department of Education.

The agency requests \$6,517,849 which includes \$501,494 from the State General Fund, \$500,000 from federal funds, and \$5,516,355 from other funds. The agency also requests 0.0 FTE. While this request has no monetary change from the approved FY 2004 budget, there is the requested elimination of 1.0 FTE. The Governor concurs.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	20,999	43,494	43,494	43,494	-	0.0%
Travel	1,355	-	-	-	-	0.0%
Contractual Services	170,716	206,999	206,999	206,999	-	0.0%
Other	1,182,261	4,767,356	4,767,356	4,767,356	-	0.0%
Risk Pool Reserve	-	1,500,000	1,500,000	1,500,000	-	0.0%
TOTAL	1,375,331	6,517,849	6,517,849	6,517,849	-	0.0%
Funding Sources:						
General Funds	498,963	501,494	501,494	501,494	-	0.0%
Federal Funds	849,997	500,000	500,000	500,000	-	0.0%
Other Funds	26,371	5,516,355	5,516,355	5,516,355	-	0.0%
TOTAL	1,375,331	6,517,849	6,517,849	6,517,849	-	0.0%
FTE	0.6	0.0	0.0	0.0	0.0	0.0%

Revenues

Other Fund Revenue Sources

	Actual FY2003	Actual FY2004	FY2005 Estm.	FY2006 Estm.	% Change From FY2003
Participant Premiums	\$ -	\$ 1,752,971	\$ 2,457,425	\$ 2,460,000	N/A
Carrier Assessments	-	796,382	928,563	930,000	N/A
Total	\$ -	\$ 2,549,353	\$ 3,385,988	\$ 3,390,000	N/A

Selected Performance Indicators

None reported

Actual
FY2003 Actual FY2004 Estimated FY2005 Estimated FY2006

Other Departmental Issues

A. Interim Appropriation Actions

	Approved FY2005 Budget	Interim Action	Revised FY 2005 Budget
Funding Sources:			
General Funds	\$ 898,391		\$ 898,391
Federal Funds	\$ 529,430		\$ 529,430
Other Funds	\$ 10,621,227		\$ 10,621,227
Total	<u>\$ 12,049,048</u>	<u>\$ -</u>	<u>\$ 12,049,048</u>
F.T.E.	68.5		68.5